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May 22, 2006

VIA HAND-DELIVERY:

Ms. Monica Mosley
Secretary to the Clerk of Court
United States District Court
District of Delaware
U.S. Courthouse
844 King Street, Lockbox 18
Wilmington, DE 19801

FILED
U.S. DISTRICT COURT
DISTRICT OF DELAWARE
2006 MAY 22 PM 2:05

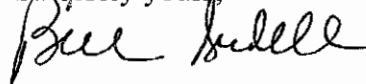
Re: In Re: Garden Ridge Corp. (*Daniel Ferguson v.
Garden Ridge Corp.*), Civil Action No. 06-213 (GMS)

Dear Ms. Mosley:

I write to report that mediation in the referenced appeal was held in my offices on May 19, 2006. Both parties and their counsel participated in the mediation, but it ended without a resolution of the appeal. Therefore, the appeal should continue in the ordinary course.

If you have any questions concerning any of the above, please do not hesitate to contact me.

Sincerely yours,



William H. Sudell, Jr.

WHS/clh

cc: William D. Sullivan, Esquire (via fax)
Joseph M. Barry, Esquire (via fax)

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